THE HON'BLE Ms. JUSTICE G. ROHINI

WRIT PETITION No.19902 OF 2006

ORAL ORDER:

This writ petition is filed aggrieved by the action of the respondents in not releasing Clearance Certificate in respect of petitioner's bus bearing No.AP-03-V-2726, in spite of the fact that the period of hire agreement had expired on 1.4.2006.

I have heard the learned counsel for the petitioner as well as the learned standing counsel appearing for the respondent-Corporation.

Though the fact that the period of agreement had already expired is not disputed, the respondent-Corporation declined to issue the Clearance Certificate, as sought by the petitioner, on the ground that the vehicle in question was involved in an accident during the subsistence of the agreement and the claim for compensation is pending before the Motor Vehicle Accidents Claims Tribunal, Tirupati, for a sum of Rs.8,50,000/-. Accordingly, by letter dated 28.7.2006, the petitioner was called upon by the Corporation to furnish bank guarantee for a sum of Rs.8.50 lakhs for a period of 10 years as a condition to issue the Clearance Certificate.

The question, whether the Corporation is justified in insisting on furnishing the bank guarantee in such circumstances, has been considered by this Court in W.P.No.9960 of 2006, and by order dated 25.5.2006, this Curt held that it would be suffice if the owner of the vehicle is directed to furnish an undertaking to the effect that he would indemnify the respondents from any liability arising out of the accident.

Admittedly, the claim petition is pending before the Motor Vehicle Accidents Claims Tribunal, Tirupati, and when the liability of the Corporation, if any, has not yet been determined, insistence on furnishing bank guarantee at this stage is unwarranted.

Accordingly, following the order in W.P.No.9960 of 2006, this writ petition is disposed of with a direction to the respondent-Corporation to issue the Clearance Certificate, as sought by the

petitioner, subject to the condition that the petitioner submits a written undertaking before the respondents and also before the Motor Accident Claims Tribunal, Tirupati in which claim for compensation is pending, to the effect that he would indemnify the respondents from any liability arising out of the accident relating to the bus in question.

It is made clear that this Court shall not be understood to have expressed any opinion as to the liability of the petitioner and the Corporation *inter se* for payment of compensation, if any, under the Award of the Motor Vehicle Accidents Claims Tribunal, Tirupati and it is left open to the parties to seek appropriate remedy in case necessity thereof arises.

The writ petition is accordingly disposed of. No costs.

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(G. ROHINI, J.)

25th September, 2006.
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THE HON'BLE Ms. JUSTICE G. ROHINI

WRIT PETITION No.19902 OF 2006

25th September, 2006.

Between:

B. Jayachandra Naidu. .. Petitioner.

And

The A.P.S. R.T.C., represented by
Vice Chairman-cum-Managing Director,
Musheerabad, Hyderabad and another. ..
Respondents.